

UNIVERSITI TEKNOLOGI MARA

**The Influence of Market Orientation and
Relationship Quality on Relationship Outcome
Between Public Universities and their Associated
Colleges in Malaysia**

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Thesis submitted in fulfilment of the requirements for the degree of
Doctor of Philosophy

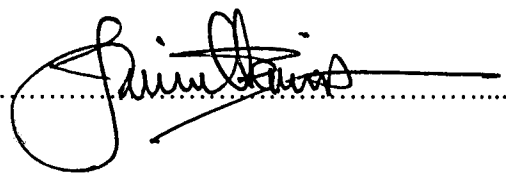
Faculty of Business Management

October 2011

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Abstract

This thesis is the culmination of more than three years of effort to study the elements and factors that are able to influence the quality of relationship. The core elements identified in the conceptual model are trust and commitment. Together with three dimensions of relational norms, these variables are hypothesised to influence the economic, non-economic satisfaction and the intention of the partners to continue their relationship in the future. Two antecedents have also been identified in the conceptual model, namely are the organisation's perception of its own market orientation and their perception of their partners' market orientation. A field survey, using questionnaire as the main instrument is the chosen method of collecting data from the management team of both public universities and their associated colleges throughout the country. Samples were chosen from the private colleges using purposive sampling while all the management staff of the public universities was chosen as the respondents. At the end, two hundred seven respondents from 33 private HLIs and 59 respondents from seven public universities that included branch campuses participated in the survey. Findings of the Multiple Regression Analysis revealed a mixed result. Even though all hypotheses were accepted, some variables did not indicate the relationship as expected. The level of affective commitment is influenced by benevolence, perception of partner's market orientation and credibility while the changes in calculative commitment are associated with the changes in benevolence and market orientation. Both elements of trust (benevolence and credibility) are influenced by the changes in the partners' affective commitment and their own market orientation. Affective commitment, participation and credibility are discovered to have an impact on the changes in both economic and non-economic satisfaction. Calculative commitment on the other hand had influenced only the economic satisfaction, while solidarity only influences the changes in non-economic satisfaction. The intention of the higher education institutions to renew their contract is only influenced by both economic and non-economic satisfaction felt by both institutions and both types of commitment, i.e. calculative and affective commitment. The t-test revealed that two variables, the participation norms and affective commitment showed by the public universities and the private colleges had a significant difference. These findings revealed that market orientation is an important antecedent in influencing the levels of trust and commitment. Trust and commitment showed a reciprocal nature in the higher education alliance. Solidarity, Participation and Flexibility norms are proven an important variable in the commitment trust model and are influential in affecting the relational satisfaction and intention of both parties to renew their alliance. Management of both institutions would reap handsome reward if they incorporated market-oriented activities and improve their relational norms to ensure a long and fruitful alliance. In the end, strong alliances between the public universities and their associated colleges will benefit the citizen of the country who aspires to obtain tertiary education through the variety and accessibility of programmes. As more citizens are educated at the tertiary level, the vision of the leaders of the country to achieve the objectives of Vision 2020 of producing quality human capital will materialise.

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